

NEWS & RELEASE

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Contract Rent DI (Q2 2014)

XyMAX Real Estate Institute summarized the results of Contract Rent Diffusion Index (DI) of office space in Tokyo 23 Wards and Central Three Wards for the quarter ending June 2014.

Contract Rent DI for Q2 2014 was **+19** for both Tokyo 23 Wards and Tokyo Central Three Wards, two straight quarters of increases, up by 10 points and 11 points, respectively.

Increased number of tenants relocated for positive reasons such as expanding office or improving the image of the company. In leasing brokerage activities, some office spaces received several applications from would-be tenants. Trends of rent increase have been more popular amid improved market balance following the absorption of vacant spaces.

Figure 1: Contract Rent DI (Tokyo 23 Wards)

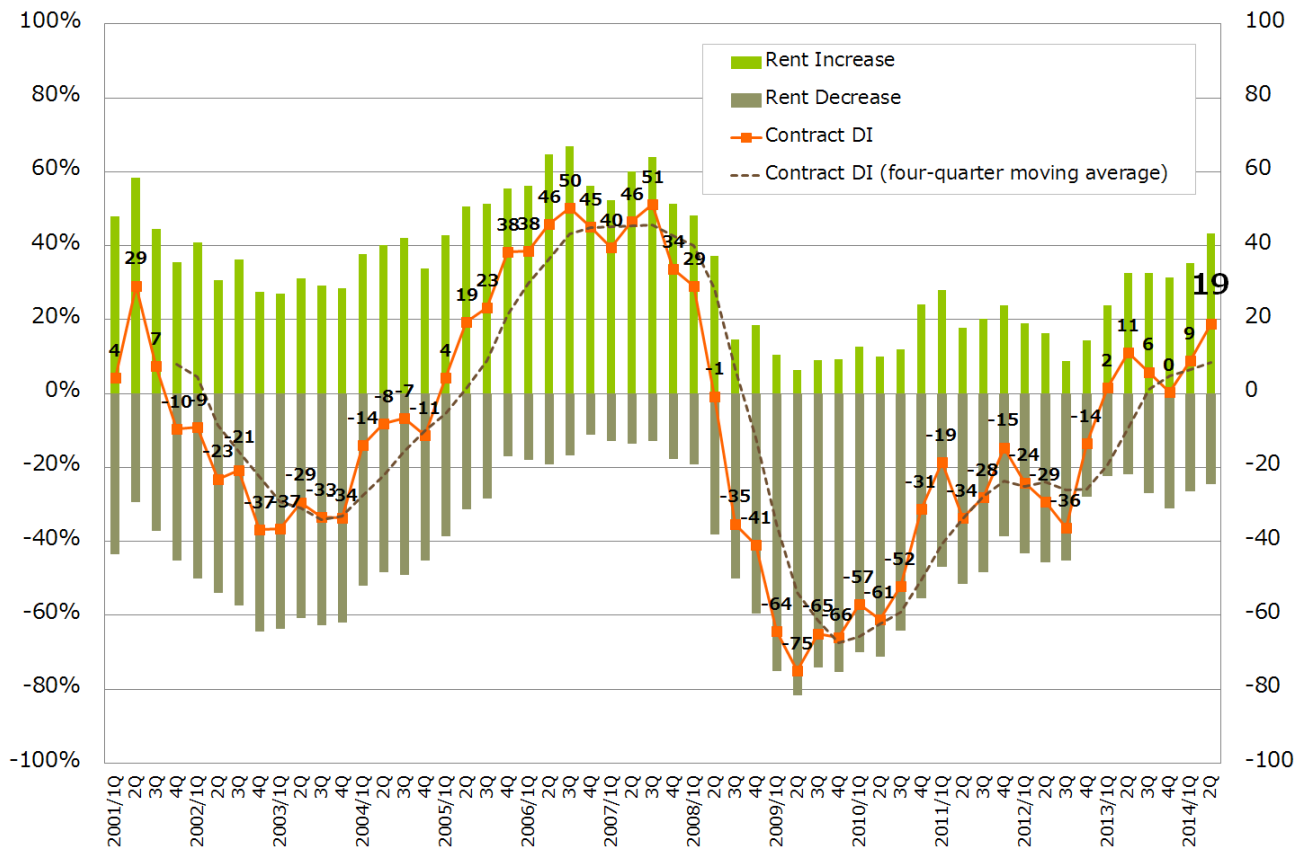
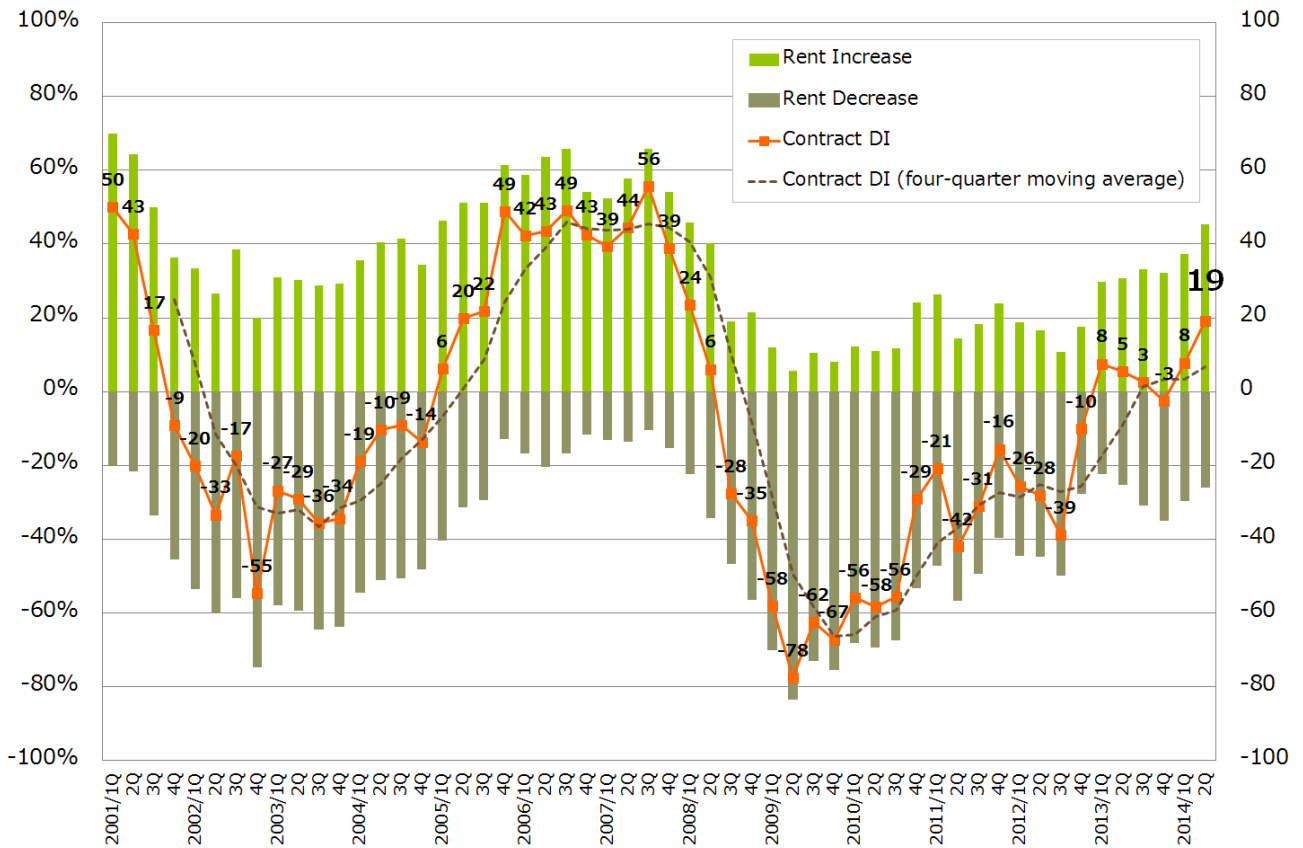


Figure 2: Contract Rent DI (Tokyo Central Three Wards*)



* Tokyo Central Three Wards: Chiyoda, Chuo and Minato

Contract Rent DI

Contract Rent Diffusion Index (DI) is an indicator of the office space market, estimated based on changes in the rent agreed for a new lease in the same building (whether the rent has increased, remained the same or decreased).

Xymax Group collected the market data directly from its business activities and used it to compare the contract rent data in a particular period with that in the 6-month prior period in the same office building. Each data was counted separately into three categories ("rent increase", "no change", and "rent decrease"). The index is derived by subtracting the ratio of "rent decrease" from the ratio of "rent increase" (see the figure below). The number of data for each quarter is about 400 on average.

